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TAGS: [AORC](#) [PREL](#) [PARM](#) [KNNP](#) [IAEA](#) [EG](#) [IS](#) [GM](#)
SUBJECT: (C) IAEA: GERMANY READY FOR IRAN SANCTIONS; WANTS
U.S. TO PRESSURE RUSSIA

REF: STATE 91633

Classified By: Political M/C George Glass for reasons 1.4 (b/d)

11. (C) Summary. On September 8 poloff informed MFA IAEA lead Hans-Peter Hinrichsen that the U.S. was delivering reftel demarche to all IAEA Board Members. Hinrichsen shared copies of the EU and E3 statements to be released that day (see paragraphs 12 and 13). Hinrichsen asked for the USG to intervene with Russia to help secure an E3 plus 3 FM meeting on the margins of UNGA to discuss Iran and re-emphasized that Germany is ready to discuss additional sanctions. Iran's ambassador in Berlin told MFA officials to expect a formal Iranian response to the E3 plus 3 offer on September 10. However, German officials expect it to include few new concessions from Tehran. Hinrichsen said Germany will push for a "no motion" on the Arab League proposal against Israel in the IAEA General Conference, but expects a difficult fight. Moreover, the Egyptians seem committed to their own anti-Israel proposal. He also feared that Germany may not be in a position to oppose Iran's proposal for a resolution banning the targeting of civilian nuclear facilities. If the proposal comes to a vote, Hinrichsen warned that Germany might be forced to, at best, abstain. End summary.

Frustration with Russia

12. (C) According to Hinrichsen, the MFA is frustrated that Russia blocked an E3 plus 3 statement on Iran. He lamented that the Russians had stalled from the very beginning, forcing the Europeans to settle for only an E3 and an EU statement (see text below). However, he underscored that the resulting text was stronger than could have been possible with Russia on board. Hinrichsen emphasized that, unlike the Russians, Germany does not see the latest IAEA report as an indication that Iran's nuclear program is just treading water. Iran continues to create additional capacity and Germany finds that unacceptable, even if Iran has not made significant leaps in actual enrichment.

13. (C) Hinrichsen said that, in the past, Germany has been reluctant to issue an E3-only statement for fear of signaling a lack of agreement in the E3 plus 3. However, he said Germany now wanted to pressure Russia by showing that the E3 are unified and willing to move forward without Moscow.

14. (C) German officials believe that it is vitally important for E3 plus 3 FMs to discuss Iran and want the U.S. to pressure Russia for a meeting on the margins of UNGA. Hinrichsen said that European leverage with Russia seemed spent and that only the U.S. could sway Moscow. He emphasized that it would be "very negative" if the FMs failed to meet and that Germany saw UNGA as the best opportunity. Though the MFA prefers an E3 plus 3 meeting, Germany is also willing to consider other options such as the G8 plus China.

Sanctions: Ready and Willing

¶5. (C) Above all, Hinrichsen stressed that Germany was ready and willing to move towards further sanctions against Iran. Moreover, Germany had already begun internal discussions on the way forward. However, he said it would be difficult to convince ministries with economic equities to sign on if other countries could simply step in to fill the void left by German businesses. Any argument about the political significance of sanctions would ring hollow and companies would inevitably pressure the German government to limit the impact on their businesses. Comment: Hinrichsen previously told us that Germany would not impose national sanctions on its own, but only within the EU -- where it could be difficult to get a consensus. End comment.

¶6. (C) Hinrichsen voiced German concerns about the effectiveness of a gasoline embargo. He said Germany had not yet formulated a position and could yet be convinced -- if a good argument was made. However, questions remained about the burden imposed on the general public versus the ruling elite.

Iranian Response

¶7. (C) On September 7 the Iranian Ambassador to Germany briefed the MFA on Iran's response to the E3 plus 3 proposal. According to Hinrichsen, the Ambassador said Iran would likely present a concrete response package on September 10.

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It was characterized as a far-reaching offer with a broad scope to include: terrorism, regional issues, and economic cooperation. However, MFA officials walked away with the impression that Iran would bring few new items of significance to the table.

IAEA General Conference

¶8. (C) Hinrichsen said Germany would push for a "no motion" on the Arab League proposal on "Israeli Nuclear Capabilities". However, he believed it would be a heavier lift than last year. Moreover, he believed the Egyptians would also stand firm on their own Israel proposal. Hinrichsen said the Egyptians had refused to engage with the Israelis in advance of the conference -- as they had in the past -- which did not bode well for efforts to quash the proposal.

¶9. (C) Hinrichsen also repeated prior German concerns about the Iranian proposal for a resolution banning the targeting of civilian nuclear facilities. He feared that if Iran worded their proposal in line with previous German positions, Germany would be hard-pressed to oppose it. German officials hope is that it does not come up for vote. If it does, Hinrichsen said Germany might be forced to, at best, abstain.

UNSC Non-proliferation Discussion

10 (C) Hinrichsen regretted that the EU has no role in the upcoming UNSC high-level meeting on nuclear non-proliferation. Since Germany is not on the UN Security Council, it has asked European partners with a seat to make statements on behalf of the EU. Hinrichsen said the UK and France had shown little interest but that Austria might be made to carry the load. Germany wants an acknowledged role for the EU on WMDs and nuclear non-proliferation.

¶11. (SBU) Below are the draft EU and E3 statements. Germany will not make additional statements of its own.

¶12. (U) Draft of E3 Statement to the IAEA Board of Governors

Madam Chairperson,

I have the honour to speak on behalf of the United Kingdom, France and Germany. Our three countries fully associate themselves with the statement made earlier by Sweden on behalf of the European Union as well as candidate and associated countries.

Madam Chairperson,

We would first of all like to thank the Director General for his latest report on the implementation of the NPT safeguards agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran. Again the report testifies to the fact that there continue to be substantial issues which urgently need to be clarified in order to establish the nature of the Iranian nuclear programme.

The list of Iranian failures remains a serious concern. As this Board has been repeatedly reminded Iran continues in its failure to comply with its legally binding obligations set out in Security Council resolutions 1696, 1737, 1747, 1803 and 1835. It continues in its disrespect for the requirements of the Board and its safeguards obligations.

The report of the Director General this time puts a particular emphasis on questions relating to possible military dimensions of Iran's nuclear programme. We welcome that the Director General has again unambiguously set out in his report the nature and seriousness of the information available to the Secretariat. The Director General has made it quite clear: These are serious questions and they require from Iran serious answers.

Against the background of the evidence available it is inexcusable that Iran continues to refuse any degree of transparency or cooperation in clarifying these outstanding issues. This Iranian attitude further reinforces doubts relating to the nature of Iran's nuclear programme. These doubts will not go away unless Iran is ready to address them

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squarely.

Iran has been provided sufficient access to the documentation available to the Agency to respond substantively to the questions raised. And the Agency has underlined to Iran once again how it can satisfactorily address these questions without compromising its national security concerns.

We note that Iran has cooperated with the Agency in improving safeguards measures in Natanz and in providing access to the IR-40 reactor construction site in Arak. At the same time Iran has failed to implement the modified text of its Subsidiary Arrangements General Part, Code 3.1. Iran is the only state with significant nuclear activities not implementing the provisions of the revised code 3.1. Thus we call again on Iran to comply fully and without qualification with its safeguards obligations, to implement the provisions of the revised Code 3.1 and to submit the required design information on the nuclear research reactor under construction in Arak as or any nuclear project.

Madam Chairperson,

We would also like to draw attention to how crucially important it is that Iran implements the Additional Protocol,

a requirement again emphasized in the Director General's report. As the Director General reminded us in his introductory statement to this Board Meeting: "Without the Protocol, the Agency will not be able to provide credible assurances about the absence of undeclared nuclear activities in Iran, especially given Iran's past record of failing to declare material and activities"

It is in Iran's hands and power to overcome the current profoundly unsatisfactory situation. Iran must address the lack of confidence in the exclusively peaceful nature of the Iranian nuclear programme. It should build not reduce confidence.

Madam Chairperson,

We expect and urge Iran to fully cooperate with the IAEA and meet without delay the requirements of this Board and the resolutions of the UN Security Council.

Effective multilateralism presupposes that countries do not only seek recognition of the rights but are also prepared fully to live up to their obligations. We have consistently stressed our recognition of Iran's right to civil nuclear energy; we are also entitled to expect Iran to comply with its obligations and responsibilities. Persistent defiance and a point blank refusal on the part of Iran to live up to its obligations are not acceptable.

Madam Chairperson,

France, UK and Germany together with the United States of America, the Russian Federation and China with the support of the EU High Representative have to set out for Iran with clarity and in detail how it can engage with us with a view to achieving a diplomatic solution through negotiation.

Iran's responses so far have been neither positive nor satisfactory. We again call on Iran to engage in meaningful negotiations with a view to achieving a comprehensive diplomatic solution. Iran should make use of the window of opportunity provided now. We have extended a hand and we appeal to Iran to take it.

Thank you, Madam Chairperson

¶13. (U) Draft of Statement by Sweden on behalf of the EU

Madam Chair,

¶1. I have the honour to speak on behalf of the European Union. (The candidate countries Turkey, Croatia, the former Yugoslav Republic of Macedonia, the Countries of the Stabilization and Association process and potential candidates Albania, Bosnia and Herzegovina, Montenegro and Serbia, the EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as Ukraine, the Republic of Moldova, Armenia, Azerbaijan and Georgia associate themselves with this statement).

¶2. The European Union would like to thank the Director General for his report in document GOV/2009/55 on the implementation of IAEA safeguards and the relevant Security Council resolutions on the Islamic Republic of Iran since June. The EU commends the Director General and the Secretariat for their continuing efforts to seek

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clarifications from Iran and to verify its nuclear programme. We strongly support the Agency in deepening further its analysis of all information available to it pertaining to Iran's nuclear programme.

¶3. The EU notes that, according to the report, the IAEA has been able to verify the non-diversion of declared nuclear material in Iran during the period in questions. The EU also

notes that safeguards measures at the Fuel Enrichment Plant at Natanz have recently been improved and that a further visit to the IR-40 reactor at Arak for design information verification, as required under Iran's Comprehensive Safeguards Agreement, has finally taken place. While this is welcome, it is long overdue: it has taken months for Iran to agree to the improved monitoring at Natanz and, in the case of the IR-4, a period of 12 months elapsed since the Agency was allowed access.

¶4. However, the EU strongly regrets that the Agency remains unable to give assurances as to the exclusively peaceful nature of Iran's nuclear programme. The situation remains as highly unsatisfactory as it was in June, in March and months before that: Iran continues to defy requirements by the Security Council and the IAEA Board of Governors.

¶5. This is a matter of serious concern for the international community, Madam Chair. Iran must comply with its international obligations.

¶6. It is of serious concern that Iran has not suspended its enrichment related activities, heavy water projects in line with UN Security Council resolutions nor implemented the Additional Protocol.

¶7. It is of serious concern that Iran is the only state with significant nuclear activities which has Comprehensive Safeguards Agreement in force but is not implementing the provisions of the revised code 3.1.

¶8. It is of serious concern that Iran refuses to cooperate with the Agency and give substantive answers to questions aimed at clarifying the possible military dimensions of Iran's nuclear programme.

¶9. In this context the EU would like to remind the Board of Governors of its request at the June Board meeting that the Secretariat informs the Board about its assessment of possible military dimensions of Iran's nuclear programme. Consequently, the EU commends the Agency for the analysis contained in Section E of the report. It is the position of the EU that the Agency's independent assessment should be available to the Board of Governors in order for it to be able to evaluate the situation and to take adequate decisions

We express our deep concern as regards the failure of Iran to provide the substantial explanation that the Agency has requested for activities in the areas of inter alia high explosives, the green salt project and re-entry vehicle studies which gives rise to serious concern over a possible military dimension to the Iranian nuclear programme.

Madam Chair,

¶10. Iran's refusal to cooperate with the IAEA is in defiance of its obligations under the Non-Proliferation Treaty and of its Safeguards Agreement as well as of Security Council Resolutions 1737, 1747, 1803 and 1835. These international obligations are mandatory.

¶11. Together with the international community, the EU has repeatedly, for many years, urged Iran to comply with its international obligations. It is necessary for Iran to restore confidence in the exclusively peaceful nature of its nuclear activities. In order to do so, Iran should suspend its enrichment activities, implement the Additional Protocol, pending its ratification, and provide the Agency with all information and cooperation requested.

¶12. The EU commends the Director General and the Secretariat for their impartial efforts to verify Iran's safeguards obligations and urges Iran to cooperate fully with the IAEA in a transparent manner.

¶13. The European Union reaffirms its continuous support for efforts to find a negotiated long-term solution to the Iranian nuclear issue. Thus the European Union strongly urges Iran to enter into direct talks and accept the

invitation from China, France, Germany, Russia, the United Kingdom and the United States, supported by the EU High Representative, to engage without delay in negotiations in order to find a negotiated solution through diplomacy to the current crisis.

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Thank you Madame Chair

END DRAFT STATEMENT

Murphy